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October 18, 1995

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

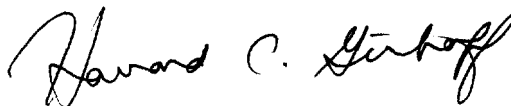
Re: *Ex Parte* Letter
Policies and Rules Implementing the Telephone
Disclosure and Dispute Resolution Act,
CC Docket No. 93-22, 9 FCC Rcd 6891 (1994)
(Order on Reconsideration and Further Notice of Proposed Rulemaking)

Dear Mr. Caton:

Submitted on behalf of Kee W. Groshong, Vice Chancellor for Administrative Services at the University of Missouri-Columbia, is a written *ex parte* letter addressing issues raised in the Commission's Further Notice of Proposed Rule Making in the above-captioned docket. This letter is filed in accordance with 47 C.F.R. § 1.1206(a), as the Commission has not yet commenced a Sunshine Agenda period in the current phase of this non-restricted proceeding. In compliance with this section, an original and two copies of this *ex parte* letter are attached hereto for inclusion in the public record.

Should there be any questions concerning this matter, please contact the undersigned.

Respectfully submitted,



Howard C. Griboff

Attachments

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October 3, 1995

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

RE: Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act, CC Docket No. 93-22, 9 FCC Rcd 6891 (1994) (Order on Reconsideration and Further Notice of Proposed Rulemaking).

Dear Mr. Caton:

I am writing to express the University of Missouri's support for certain of the rules and amendments set forth in the Commission's Further Notice of Proposed Rule Making regarding the implementation of the Telephone Disclosure and Dispute Resolution Act ("TDDRA"). In particular, the University supports the proposed requirements that presubscription agreements be in writing and that carriers address bills assessing presubscribed information services charges only to the individual who entered into the presubscription agreement. Adoption of these rules will provide further protection against the deceptive and abusive practices of some information providers.

We at the University have experienced firsthand what hundreds of other individuals and institutions have undoubtedly endured in recent years. During the past year, the University has been billed substantial sums for unauthorized calls to information services provided by Pilgrim Communications of Cambridge, Massachusetts.

An investigation of the source of these calls underscores the need for the additional safeguards proposed by the Commission. Two individuals using false identifications--according to the voice prints, "Jonathan Columbia" and "Jonathan St. Louis"--called from University-subscribed telephones to set up calling card accounts with Pilgrim. (A significant portion of the line numbers used by the University can be billed for collect calls.) Pilgrim authenticated the callers only by reading the Automatic Number Identifications of the originating telephone lines. The company made no effort to ascertain that these individuals were the subscribers for these lines and legally capable of entering into such contractual agreements, despite the fact that the names used should certainly have raised a red flag. Thus, instead of billing these two individuals for their subsequent calls, Pilgrim billed the University. While all of these charges have been disputed, the University has been credited only \$152.69.

While this system of authentication constitutes a threat to consumers everywhere, large institutions such as this University have particularly strong concerns. Universities like ours subscribe to thousands of telephone lines, many of which are often unblocked and unattended and are therefore vulnerable to potentially widespread and costly fraud. Public educational institutions simply cannot afford to allocate the personnel and resources necessary to combat these practices.

Moreover, while the Commission does require carriers to offer telephone subscribers the opportunity to block access to 900 number information services, our experience with blocking in the collect and third-party calling context suggests that even this protection may not be sufficient. A small number of carriers have failed to respect our blocking instructions, claiming that the verbal approval of individuals answering such calls is ample justification for billing blocked lines. This practice is invalid; only the line subscriber--the University--has the authority to accept such collect or third-party billing. We fear that some carriers may extend these tactics into the sphere of information services and bill the charges accrued under fraudulent presubscription agreements to University-subscribed lines even where such access had been blocked.

While the commission's 1993 Order implementing the TDDRA did supply some degree of protection from these illegitimate business practices, the rules proposed last year more squarely address this problem. According to this proposal, for a presubscription agreement to be legally valid it must be a contractual agreement executed in writing. In addition, the party contracting with the information provider must be a legally competent individual. Also, any common carrier offering billing and collection service to an information provider pursuant to a presubscription agreement can do so only after obtaining evidence that a presubscription agreement has been established with the person being billed in accordance with Section 64.1501 (b). Finally, the bill must be addressed to that person.

The enactment of these proposed rules should prevent the University and other institutions and consumers from experiencing the kinds of difficulties described above. We have a real need for this protection, and we fully support the commission's proposed action.

Respectfully submitted,



Kee W. Groshong
Vice Chancellor for
Administrative Services

cc Reid E Hundt, Chairman
 James H Quello, Commissioner
 Andrew C. Barrett, Commissioner
 Rachelle B. Chong, Commissioner
 Susan Ness, Commissioner
 Mary Roman, Esq.
 Robert Spangler, Esq.